

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

CONTRACT ID CODE	PAGE OF PAGES
1	5

2. AMENDMENT/MODIFICATION NO. <p style="text-align: center;">M002</p>	3. EFFECTIVE DATE <p style="text-align: center;">See Block 16C</p>	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. <i>(If applicable)</i>
6. ISSUED BY U.S. Department of Energy Idaho Operations Office Procurement Services Division, MS-1221 850 Energy Drive Idaho Falls, ID 83401-1563		7. ADMINISTERED BY <i>(If other than item 6)</i>	
8. NAME AND ADDRESS OF CONTRACTOR <i>(No., street, county, State and ZIP Code)</i> BNFL, Inc. 9302 Lee Highway, Suite 950 Fairfax, VA 22031-1207		9A. AMENDMENT OF SOLICITATION NO.	
CODE		9B. DATED <i>(SEE ITEM 11)</i>	
FACILITY CODE		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC07-97ID13481	
		10B. DATED <i>(SEE ITEM 13)</i> December 20, 1996	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.

Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returnin copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA *(if required)*

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

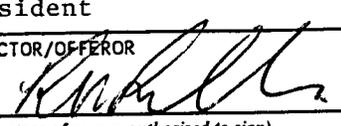
(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: <i>(Specify authority)</i> THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES <i>(such as changes in paying office, appropriation date, etc.)</i> SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
✓	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a)(3), "Mutual Agreement"
	D. OTHER <i>(Specify type of modification and authority)</i>

E. IMPORTANT: Contractor is not, is required to sign and return 3 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

See Pages 2 through 5

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNEE <i>(Type or print)</i> Richard H. Peebles Vice President	16A. NAME AND TITLE OF CONTRACTING OFFICER <i>(Type or print)</i> David P. Letendre, Contracting Officer
15B. CONTRACTOR/OFFEROR  <i>(Signature of person authorized to sign)</i>	15C. DATE SIGNED July 2, 1997
16B. UNITED STATES OF AMERICA BY  <i>(Signature of Contracting Officer)</i>	16C. DATE SIGNED 7-8-97

INSTRUCTIONS

Instructions for items other than those that are self-explanatory, are as follows:

- (a) Item 1 (Contract ID Code). Insert the contract type identification code that appears in the title block of the contract being modified.
- (b) Item 3 (Effective Date).
 - (1) For a solicitation amendment, change order, or administrative change, the effective date shall be the issue date of the amendment, change order, or administrative change.
 - (2) For a supplemental agreement, the effective date shall be the date agreed to by the contracting parties.
 - (3) For a modification issued as an initial or confirming notice of termination for the convenience of the Government, the effective date and the modification number of the confirming notice shall be the same as the effective date and modification number of the initial notice.
 - (4) For a modification converting a termination for default to a termination for the convenience of the Government, the effective date shall be the same as the effective date of the termination for default.
 - (5) For a modification confirming the contracting Officer's determination of the amount due in settlement of a contract termination, the effective date shall be the same as the effective date of the initial decision.
- (c) Item 6 (Issued By). Insert the name and address of the issuing office. If applicable, insert the appropriate issuing office code in the code block.
- (d) Item 8 (Name and Address of Contractor). For modifications to a contract or order, enter the contractor's name, address, and code as shown in the original contract or order, unless changed by this or a previous modification.
- (e) Items 9 (Amendment of Solicitation No.,-Dated), and 10 (Modification of Contract/Order No.,-Dated). Check the appropriate box and in the corresponding blanks insert the number and date of the original solicitation, contract, or order.
 - (1) Accounting classification
Net increase \$.....
 - (2) Accounting classification
Net decrease \$.....
- (f) Item 12 (Accounting and Appropriation Data). When appropriate, indicate the impact of the modification on each affected accounting classification by inserting one of the following entries:
 - (1) Accounting classification
Net increase \$.....
 - (2) Accounting classification
Net decrease \$.....
- (g) Item 13. Check the appropriate box to indicate the type of modification. Insert in the corresponding blank the authority under which the modification is issued. Check whether or not contractor must sign this document. (See FAR 43.103)
- (h) Item 14 (Description of Amendment/Modification).
 - (1) Organize amendments or modifications under the appropriate Uniform Contract Format (UCF) section headings from the applicable solicitation or contract. The UCF table contents, however, shall not be set forth in this document.
 - (2) Indicate the impact of the modification on the overall total contract price by inserting one of the following entries:
 - (i) Total contract price increased by \$....
 - (ii) Total contract price decreased by \$....
 - (iii) Total contract price unchanged.
 - (3) State reason for modification.
 - (4) When removing, reinstating or adding funds, identify the contract items and accounting classifications.
 - (5) When the SF30 is used to reflect a determination by the contracting officer of the amount due in settlement of a contract terminated for the convenience of the Government, the entry in Item 14 of the modification may be limited to -
 - (i) A reference to the letter determination; and
 - (ii) A statement of the net amount determined to be due in settlement of the contract.
 - (6) Include subject matter or short title of solicitation/contract where feasible.
- (i) Item 168. The contracting officer's signature is not required on solicitation amendments. The contracting officer's signature is normally affixed last on supplemental agreements.

NOTE: If there are changes to multiple accounting classifications that cannot be placed in Item 12, insert an asterisk and the words "See continuation sheet".

The following changes are hereby made to Contract No. DE-AC07-97ID13481 by this Modification No. M002:

1. Page C-5, Clause C.4 RETRIEVAL, paragraph 4, sentence 6, delete the words "disposed of."
2. Pages C-11 and C-12, Clause C.13 DELIVERABLES, Phase I, delete the information in the first and second columns titled Phase I and Submittal Schedule and replace them respectively with the two columns as shown on page 6 under **Table 1. Phase I contract deliverables** of BNFL's approved Project Management Plan dated 4/18/97. The third and fourth columns of C.13 DELIVERABLES, DOE Action and Acceptance Criteria, will remain unchanged and valid where applicable. "RCRA transfer for GFE" will be placed under Phase II deliverables.
3. Page G-1, Clause G.1 CORRESPONDENCE PROCEDURES (MAR 1989), paragraph a., "DOE Contract Specialist" is revised to "DOE Contracting Officer."
4. Page G-3, Clause G.5 CONTRACT ADMINISTRATION (MAR 1989), is revised to change the Contracting Officer from J. O. Lee to David P. Letendre as follows:

The contract will be administered by:

U.S. Department of Energy
Idaho Operations Office
Procurement Services Division
ATTN: David P. Letendre
850 Energy Dr., MS 1221
Idaho Falls, Idaho 83401-1563

Written communication shall make reference to the contract number and shall be mailed to the Contracting Officer.

5. Page G-3, Clause G.6 SUBMISSION OF VOUCHERS/INVOICES (ALTERNATE I) (APR 1991), is revised as follows:

Effective June 1, 1997, and in accordance with the clause entitled "Payment" of the General Provisions, the Contractor shall submit one original and two copies of invoices for authorization for payment as specified below:

The original of each invoice shall be submitted to:

U.S. Department of Energy
Albuquerque Operations Office
ATTN: AFSC/VGST
PO Box 5239
Kirtland AFB
Albuquerque, NM 87185-5239

One copy of the invoice, with supporting detail shall be mailed to the Contracting Officer at:

U.S. Department of Energy
Idaho Operations Office
Procurement Services Division
ATTN: David P. Letendre
850 Energy Dr., MS 1221
Idaho Falls, Idaho 83401-1563

One copy of the invoice, with supporting detail shall be mailed to the Contracting Officer's Representative (COR) as identified in the contract at:

U.S. Department of Energy
Idaho Operations Office
ATTN: Michael J. Bonkoski
850 Energy Drive, MS 1147
Idaho Falls, ID 83401-1563

6. Page H-3, Clause H.4 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (JUN 1996), is revised to incorporate the date of acceptance and identify the section of the contract where the plan is located as follows:

The Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan submitted by Contractor for this contract, and approved by the Contracting Officer's signature on Standard Form 26 AWARD/CONTRACT signed December 20, 1996, is included at Part III, Section J, Appendix E of this contract. Any required revisions to the Plan shall be accomplished by contract modification.

7. Page H-22, Clause H.42 DISPOSITION OF INTELLECTUAL PROPERTY - FAILURE TO COMPLETE CONTRACT PERFORMANCE, paragraph b., is replaced to incorporate language inadvertently omitted as follows:
 - b. The Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice or acquired by the Contractor, and any other intellectual property, which are owned or controlled by the Contractor, at any time through completion of this contract and which are incorporated or embodied in the construction of the facility or which are utilized in the operation of the facility or which cover articles, materials, or products manufactured at the facility, (1) to practice or to have practiced by or for the Government at the facility, and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the Government of the aforesaid rights and license shall not prevent the Government at any time from contesting the enforceability, validity, or scope of, or title to, any rights or patents or other intellectual property herein licensed.
8. Page H-25, Clause H-49 PROJECT FINANCING is revised to include the following sentence at the end of the paragraph:

This clause is not intended to undermine or negate the principles of privatization on which this contract is based. Assistance does not include any loan guarantees or progress payments.
9. Page I-29, Clause I.10 DEAR 952.202-1 DEFINITIONS (SEP 1991), paragraph (b) and paragraph (c), are corrected to read:
 - (b) "Contracting Officer" - See clause entitled FAR 52.202-1 DEFINITIONS subparagraph (f) above.
 - (c) "Subcontracts" - See clause entitled FAR 52.202-1 DEFINITIONS subparagraph (g) above.
10. Page J-D-12, I.A title is corrected to read:

A. DIRECTIVES WHICH WILL REQUIRE INCLUSION IN THE ES&H PROGRAM OPERATING PLAN OR DOCUMENTED EXEMPTION
11. Replace Section J, Appendix G - PERFORMANCE GUARANTEE in its entirety with the attached copy of SECTION J, APPENDIX G - PERFORMANCE GUARANTEE dated February 7, 1997, and signed by John J. Taylor, Chief Executive, British Nuclear Fuels Plc.

12. Page J-H-2, Report Distribution Addressees, paragraph B, is revised to reflect the change of Contracting Officer as follows:

- B. U.S. Department of Energy
Idaho Operations Office
ATTN: David P. Letendre
850 Energy Drive, MS 1221
Idaho Falls, ID 83401-1563

SECTION J

APPENDIX G - PERFORMANCE GUARANTEE

FOR VALUE RECEIVED, and in consideration of, and in order to induce the U.S. Department of Energy (the "Government") to enter into Contract DE-AC07-97ID13481 relating to the Advanced Mixed Waste Treatment Project (the "Contract") dated as of November 19, 1996, by and between the Government and BNFL Inc. (Contractor), the undersigned, British Nuclear Fuels plc, (herein called "Guarantor"), a public limited company organized in England, with its registered office at Risley, Warrington, Cheshire, England, subject to the following conditions, hereby guarantees to the Government the full and prompt payment and performance of all obligations, accrued and executory, which Contractor presently or hereafter may have to the Government under the Contract. Guarantor further agrees to indemnify the Government against any losses the Government may sustain and expenses it may incur as a result of the enforcement or attempted enforcement by the Government of any of its rights and remedies under the Contract, in the event of a default by Contractor thereunder, and/or as a result of the enforcement or attempted enforcement by the Government of any of its rights against Guarantor hereunder. Guarantor agrees that Contractor shall have the full right, without any notice to or consent from the Guarantor, to make any and all modifications or amendments to the Contract without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder.

Guarantor hereby expressly waives all defenses which might constitute a legal or equitable discharge of a surety or guarantor, and agrees that the Guarantee shall be valid and binding upon Guarantor regardless of (i) the reorganization, merger or consolidation of Contractor into or with another entity, corporate or otherwise, or the liquidation or dissolution of Contractor, or the sale or other disposition of all or substantially all of the capital stock, business or the sale to any other person or party, or (ii) the institution of any bankruptcy, reorganization, insolvency, debt arrangement or receivership proceedings by or against the Contractor, or the adjudication of Contractor as bankrupt, or (iii) the assertion by the Government against Contractor of any of the Government's rights and remedies provided for under the Contract, including any modification or amendments thereto, or under any other document(s) or instrument(s) executed by Contractor related to the Contractor's performance of the contract, or existing in the Government's favor in law, equity, or bankruptcy.

Guarantor further agrees that its liability under this Guarantee shall be continuing, absolute, primary, and direct, and that the Government shall not be required to pursue any right or remedy it may have against Contractor or other Guarantors under the Contract, or any modifications or amendments thereto, or any other document(s) or instrument(s) executed by Contractor relating to the Contractor's performance of the contract, or

otherwise (and shall not be required to first commence any action or obtain any judgement against Contractor) before enforcing this Guarantee against Guarantor, and that Guarantor will, upon demand, pay the Government any amount, the payment of which is guaranteed hereunder and the payment of which by Contractor is in default under the Contract or under any other documents or instruments executed by Contractor relating to the Contractor's performance of the contract, and that Guarantor will, upon demand, perform all other obligations of Contractor, the performance of which by Contractor is guaranteed hereunder.

Guarantor further warrants and represents to the Government that the execution and delivery of this Guarantee is not in contravention of Guarantor's Articles of Organization, Charter, by-laws and applicable law; that the execution and delivery of this Guarantee, and the performance thereof, has been duly authorized by Guarantor's Board of Directors, Trustees, or other management board, as applicable; and that the execution, delivery, and performance of this Guarantee will not result in a breach of, or constitute a default under, any loan agreement, indenture, or contract to which Guarantor is a party or by or under which it is bound.

In the event the capital stock of the Contractor or any of its business interests or assets associated with the performance of the Contract is transferred, assigned, or sold by the Guarantor, the transferee, assignee, or purchaser shall be required by Contract to accept, assume, and perform, without condition or limitation, all of the duties, responsibilities, and obligations of the Guarantor in this Performance Guarantee, except as may otherwise be approved in writing by the Contracting Officer.

With the written consent of the Government, Guarantor may substitute for this Guarantee a payment and performance bond issued by a surety satisfactory to the Government.

Guarantor's obligations hereunder shall terminate and be of no further force or effect upon the earlier of: (i) the full payment and performance of all obligations of the Contractor to the Government under the Contract; or (ii) with the consent of the Government, the substitution of alternative security in lieu of this Guarantee as provided above.

The aforesaid Guarantee is for exclusive benefit of the Government, and in no event shall inure to the benefit of any other parties.

By its receipt hereof, the Government agrees that nothing in this Guarantee shall in any way limit the obligations or enlarge the rights of the Government with respect to or against the Contractor under the Contract.

Notwithstanding anything to the contrary contained herein, the liability of Guarantor hereunder shall be subject to and limited by the applicable provisions of the Contract; and shall not exceed 25% of the total price for the performance of all Phases of the work under the Contract completed or executory, including the price for treatment of optional quantities of waste identified

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in Clause B.3 of the Contract to the extent such options have been exercised by the Government, and further provided, however, that Guarantor's obligations hereunder shall in no event continue after (a) a termination of the contract for the convenience of the Government, or (b) Phase I, but only if more than one contractor was selected to perform Phase I and the Contractor was not selected to perform Phases II and III for reasons other than the Contractor's default of its Phase I obligations.

Guarantor has read and consents to all terms and conditions of the Contract as they relate to its obligations established herein.

IN WITNESS THEREOF, Guarantor has caused this Guarantee to be executed by its duly authorized officer, and its corporate seal to be affixed hereto on 7 FEBRUARY 1997.

*

GUARANTOR J. Taylor (DATE)

BY: JOHN J TAYLOR
CHIEF EXECUTIVE
BRITISH NUCLEAR FUELS PLC.

ATTEST: Graham Watts
GRAHAM L WATTS
COMMERCIAL DIRECTOR BRITISH NUCLEAR FUELS PLC.

*This Performance Guarantee replaces the Performance Guarantees signed on November 19, 1996, and January 27, 1997, and is effective as of November 19, 1996.

J. Taylor

Director

Ann J. [Signature]
Secretary

